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Information

Fiscal Policy and Planning Committee

Update on the Proposed 2007-08 Governor's Budget

Executive Summary: This agenda item informs the Members of the Commission of the Commission's portion of the proposed 2007-08 Governor's Budget.

Recommended Action: For information only

Presenter: Crista Hill, Division Director, Fiscal and Business Services Section

Strategic Plan Goal:

Continue to refine the coordination between Commissioners and staff in carrying out the Commission's duties, roles and responsibilities.

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- ◆ Conduct periodic review of the efficiency of the day-to-day operations and financial accountability of the Commission

June 2007

Update on the Proposed 2007-08 Governor's Budget

Introduction

On January 10, 2007, Governor Arnold Schwarzenegger submitted to the Legislature his proposed budget for Fiscal Year (FY) 2007-08. On May 14, 2007 the Governor released what is known as the "May Revision." The May Revision reflects any updates in both revenues and expenditures from the January 10 budget and any new proposals that may have been approved by the Administration as part of the Spring Finance Letter process. This agenda item provides members of the Commission an update of new developments that occurred during the Spring Legislative budget subcommittee process, as it relates to the Commission's proposed budget for FY 2007-08.

Background

As of Wednesday, May 24, 2007 both the Senate and Assembly budget subcommittees made decisions on their version of the FY 2007-08 Governor's Budget. Each budget subcommittee heard and took action on the various Budget Change Proposals approved by the Administration and included in the Governor's Budget, April 1st, and May Revision. Given the priorities of the Senate and Assembly budget subcommittees, there may be differences in the actions taken on the various issues before the subcommittee. The Conference Committee only hears those issues where there is a difference in the action taken. The remaining approved issues will move forward as part of the final budget approved by the Legislature. The Conference committee is charged with reviewing the issues included in the Conference agenda, and making a final decision on whether or not the issue will be included in the final budget as approved by the Legislature. The final budget from the Legislature will be the basis on which the Governor will either prepare vetoes or ultimately sign into law. On June 1, 2007 the Conference Committee met to start working through the various issues. The Commission has three issues in conference agenda as outlined below:

- 1. Professional Services Division - (TCF) 2.0 (Consultant) \$227,000** support the workload for the revised accreditation system, (2 yr –LT Consultant) \$113,000 support various credential reforms (*Update: As of June 4, 2007, the Conference Committee took action to approve the Senate version of this issue, which was to approve the April 1st letter as presented.*)
- 2. EnCorps – \$12,000,000 (LA P98 On-going)** Increase appropriation by \$2.0 million from the Governor's Budget proposal. In addition, includes those retiring individuals interested in career technical education credential. Reflects a total appropriation of \$12.0 million for this effort.
- 3. Fund Incentives for Science and Math - \$7,500,000(LA P98)** \$7.5 million to fund a new ongoing program to provide incentives to existing credentialed teachers in other subject areas to become qualified to teach math and science in California schools. (*It is the Commission staff's understanding that this proposal is not tied to any legislation.*)

Provided below is a summary of the Commission's budget as of when the agenda was prepared. This is subject to change up until the Governor signs the budget for fiscal year 2007-08.

Governor's Budget

1. CAW Position Transfer - Continued Transfer

- Continue the transfer and reclassification of four (4.0) higher-level positions from Professional Services Division to create seven (7.0) positions in the Certification, Assignment and Waivers Division for an additional year to address the credentialing paper application workload.

2. CALTIDES - 2.5 positions \$248,000 (Reimbursements)

- Continue the 2.5 positions (1 Staff Information Systems Analyst, 1 Senior Information Systems Analyst, 0.5 Associate Governmental Program Analyst) and \$248,000 for the California Longitudinal Teacher Integrated Data Education System (Teacher Data System) 2nd year costs.

3. Teaching Performance Assessment – 2.0 \$237,000 (TDAA)

- Increase 2.0 positions (1 Consultant, 1 Associate Governmental Program Analyst) and \$237,000 for the Teaching Performance Assessment administrative costs to support this activity per SB 1209 (Chapter 517, Statutes of 2006).

4. EnCorps – One-Time CY P98 \$10,000,000.00 (*Please See The Update Of This Issue Under The May Revision Heading Below*)

- Increase of \$10,000,000 in General Fund local assistance funding for the new EnCorps Teacher Program.

5. Various Administration related adjustments for Employee Compensation, Retirement, PRORATA, and One-time funding adjustments (-\$1.8 reduction)

- Increase Retirement and Employee Compensation by \$753,000 (Current Year), \$672,000 (Budget Year)
- Decrease ProRata assessment by -\$1,527,000 (Budget Year)
- Decrease one-time funds of -\$775,000 (Budget Year) for the Teaching Performance Assessment, Special Education Study, and Languages Exams template, included in the FY 2006-07 Budget. (*Programs expired/ended in 2006-07, technical adjustment to remove the associated expenditure authority.*)

6. Added Provisional Language – Paraprofessional

- Added Budget Bill language to reflect the Paraprofessional Teacher Training Program per participant current rate is now \$3,500 up from \$3,000 in FY 2005-06.

April 1st

1. Professional Services Division - (TCF)

- 2.0 (Consultant) \$227,000 support the workload for the revised accreditation system
- 1.0 (2 yr –LT Consultant) \$113,000 support various credential reforms

May Revision

1. Current Year Reversion - LA P98 Funded Programs -\$9,055,000

- \$7.41 million for the Alternative Certification program
- \$1.645 million for the Paraprofessional Teacher Training Program, due to less than anticipated participation.

2. Fund Incentives for Science and Math - \$7,500,000(LA P98)

- \$7.5 million to fund a new ongoing program to provide incentives to existing credentialed teachers in other subject areas to become qualified to teach math and science in California schools. *(It is the Commission's staff understanding that this proposal is not tied to any legislation.)*

3. EnCorps – \$12,000,000 (LA P98 Ongoing)

- Increase appropriation by \$2.0 million from the Governor's Budget proposal. In addition, includes those retiring individuals interested in career technical education credential. Reflects a total appropriation of \$12.0 million for this effort.

Next Steps

Commission staff will provide members of the Commission with a verbal update at the meeting of any new activities that may have occurred since the agenda was printed.